SANTA MONICA MOUNTAINS CONSERVANCY
GRANT APPLICATION

Project Name: Malibu Civic Center Chili Cook-Off Acquisition	**Amount of Request:** $ 2,000,000 **Total Project Cost:** $ 25,150,000
Applicant Name: City of Malibu	**Amount of Match:** $23,000,000 **Source of Match:** See Below

Applicant Address:	**Project Address:** 23500 Civic Center Way		
23815 Stuart Ranch Road Malibu, CA 90265	**County**	**Senate District**	**Assembly District**
	Los Angeles	23-Kuehl	41-Pavley
Phone: 310-456-2489 ext. 226 or 224 **Fax:** 310-456-2760	**Email:** klichtig@ci.malibu.ca.us		

Grantee's Authorized Representative:

Katie Lichtig, City Manager — 310-456-2489 @ 226

Name and Title — *Phone*

Person with day-to-day responsibility for project:

Reva Feldman, Administrative Services Director — 310-456-2489 @ 224

Name and Title — *Phone*

Brief Scope of Work (60 words maximum):
Fee acquisition of 2 parcels owned by the Malibu Bay Company in the Malibu Civic Center, Malibu Lagoon sub-watershed, comprising 19.7± acres, bordered on the south by Pacific Coast Highway, west by Webb Way, east by Cross Creek Road, and north by Civic Center Way. APNs 4458-020-016 and 4458-020-007 Combined geographic coordinates of Longitude: -118.68890 and Latitude: 34.03563.

Funding Source Applied for: Wildlife Conservation Board - Proposition 50
Pass through to Santa Monica Mountains Conservancy

Narrative/Project Description:
Malibu is located on the north shore of Santa Monica Bay, northwest of Los Angeles, California. The Malibu Civic Center project area is located on an alluvial plain and is defined by Malibu Creek and Malibu Lagoon on the east, Winter Canyon on the west, the Pacific Ocean on the south and Malibu Knolls on the north (Figure 1). The area also extends east of Malibu Creek along the beach for approximately .75 miles. An estimated 15 million visitors explore the City of Malibu's mountains and shores annually and are particularly attracted to Surfrider Beach, a beautiful world-class surfing beach, hosted by 13,000 Malibu residents.

The City of Malibu is seeking State and local funding to take advantage of a rare opportunity to acquire undeveloped land that was once part of a coastal wetland/lagoon complex. The property to be acquired was once part of the extensive Malibu Lagoon system, one of the two major coastal wetlands associated with Santa Monica Bay. The core of this system was a seasonally open coastal lagoon, a remnant of which remains as Malibu Lagoon. A variety of wetland habitat types were associated with the lagoon, including riparian habitats, brackish and freshwater marshes, depressional and seasonal wetlands and perhaps others. This wetland complex would have supported a rich variety of plants and animals if it had been left undeveloped.

Contamination of the lagoon by bacteria and nutrients has significantly impaired beneficial uses of Malibu Lagoon and the adjacent Surfrider Beach. Impaired beneficial uses include rare, threatened and

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endangered species, bird sanctuary, migration of aquatic organisms, spawning, reproduction and rearing habitat, wetland habitat, estuarine habitat, marine habitat, wildlife habitat, contact recreation and non-contact recreation.

Project Description: The City of Malibu is seeking $25 million from grants, debt financing, donations or other agreements to acquire 19.7 acres in the Malibu Civic Center commonly known as the Chili Cook-Off Parcels. Approximately 2.5 acres of the site is occupied by 29,354 square feet of commercial development and associated asphalt parking lots, all of which will remain in operation if acquired by the City. The remaining 17.5 acres of open space will be used for multi-purposes: treatment of stormwater, creation of riparian habitat and dispersal of Title 22 tertiary treated wastewater and passive recreation. The fair market value of the land is estimated to be between $40 and $50 million. An appraisal will be completed by the end of September 2005.

Significant natural resources of the area include Malibu Creek, which drains a 109-square mile watershed, and Malibu Lagoon, one of the two major coastal wetlands adjacent to Santa Monica Bay, the other being Ballona Wetland. Although development, particularly in the upper watershed, does contribute pollutants to the Creek and Lagoon, the watershed is much less urbanized than Ballona Creek watershed and the natural resource values reflect the rich values of the Santa Monica Mountains. Riparian habitats of lower Malibu Creek support unusually high levels of both plant and animal biodiversity. A small number of woody riparian trees and shrubs are keystone species in influencing microhabitat conditions along riparian corridors and providing a variety of ecosystem services. (Ambrose and Orme, 2000).

Malibu Lagoon is renowned for its diverse and abundant bird life. Malibu Lagoon is a critical habitat along the Pacific Flyway and hosts more than 200 bird species. Malibu Creek and Lagoon both provide habitat for special status birds and fish species. Special status birds that may occur at Malibu Lagoon State Beach include western snowy plover, light-footed clapper rail and California least tern. Species that are known or have the potential to occur include Cooper's hawk, a state species of special concern, southern steelhead, a federal endangered and state species of concern, and tidewater goby, a federal endangered and state species of special concern. Other native fish species using Malibu Lagoon include California killifish, topsmelt, arrow goby, staghorn sculpin, diamond turbot, longjaw mudsucker, and opaleye.

According to Environmental Impact Reports for proposed projects in the Civic Center area, there are no special status fish or wildlife nesting at the project sites. However, some raptors may forage in these areas, including northern harrier, white-tailed kite, and Cooper's hawk. White-tailed kites potentially nest near the project sites and may nest in the nearby eucalyptus trees; they have been observed feeding in the Civic Center area during breeding season. Northern harrier may nest and forage at the freshwater marsh nearby, where great blue heron have also been observed.

Regional Background: The Los Angeles Regional Water Quality Control Board (LARWQCB) has determined that elevated bacterial indicator densities are causing impairment of the water contact recreation (REC-1) beneficial use at Malibu Creek, Malibu Lagoon and adjacent beach. Fecal coliform bacteria may be introduced from a variety of sources including stormwater runoff, dry-weather runoff, onsite wastewater treatment systems (OWTS), commonly referred to as septic systems, and bird and animal wastes. OWTS were identified as the major non-point anthropogenic source within the watershed. Los Angeles County Beaches and Harbors estimates 1,500,000 – 2,000,000 annual users are affected along the 1.19 miles from Surfrider Beach to Malibu Pier.

The LARWQCB has also identified nutrients as a pollutant of concern for the Malibu Creek watershed, indicating that Malibu Creek is impaired for nutrients due to algae scum/odors. Potential sources include

urban runoff, wildlife, domestic animals, waterfowl and OWTS.

Development along Malibu Creek has significantly reduced riparian habitat and some of the commercial and residential OWTS are contributing bacteria and nutrients to the impaired water bodies. Urban run-off carried to Malibu Creek and Malibu Lagoon contains the entire host of contaminants from the built-environment and roadways into an unnaturally constrained system without any pretreatment. The City has been working in cooperation with the LARWQCB for a risk-based solution.

Environmental Benefits: City consultants completed the *Malibu Civic Center Integrated Water Quality Management Feasibility Study* in April 2005 -- an options analysis for the siting of a centralized wastewater treatment facility and the integrated systems associated with reuse and disposal of treated wastewater. The study also assesses the potential of separate stormwater quality management options focusing specifically on the development of retention basins, wetlands, creation of riparian and upland habitats and other water features that will help augment urban runoff treatment in the proposed City of Malibu Stormwater Treatment Facility (1,400 gallons per minute). The stormwater will be detained in the wetlands system and will be slowly metered through the filtration and disinfection facility before discharge into Malibu Creek. The City's planned stormwater treatment facility will capture and treat up to 10% of average storm events in the Malibu Lagoon sub-watershed; however, with the retention basins/wetland system on the Chili Cook-Off site, the disinfection increases to 80-90%.

The feasibility study area includes a total of 47 acres of vacant land offered for sale in the Malibu Civic Center. The goal of this acquisition project is to ensure that there is enough land available for separate treatment of stormwater and wastewater to eliminate or reduce contamination to meet or exceed the bacteria and nutrient total maximum daily loads (TMDL) for Malibu Creek and Santa Monica Bay. The consultants concluded that it is feasible and the best site for the wastewater treatment facility (between 150,000-350,000 gallons per day) is the Wave 9.2-acre parcel and that the Chili Cook-Off property will be needed for both stormwater treatment and treated wastewater dispersal. Approximately 70% of the treated wastewater will be reused for toilets, irrigation of landscaping and other permitted uses for the highly treated wastewater. A donation of two acres of the Wave Property is currently being offered to the City for the siting of the wastewater treatment facility.

Description of restoration/enhancement actions: Detailed restoration and enhancement actions needed on the property cannot be specified until more analysis is complete. In general, however, restoration and enhancement will involve grading to produce the appropriate topography, restoration of appropriate hydrology (by providing supplemental water sources if necessary), and planting of appropriate native vegetation. Although portions of the property to be acquired were once tidal, their current separation from the present Malibu Lagoon system precludes their restoration as tidal wetlands (Ambrose and Orme 2000). However, there is an opportunity to create a number of different wetland types on the property. The stormwater treatment functions will be performed by depressional and/or riverine wetland classes, most of which are likely to be seasonal, although perennial water sources will be available. If there is a wetland component to the wastewater treatment facility, it is likely to be palustrine. There may be a possibility of creating wetland types that have virtually disappeared from the Los Angeles region, such as slope or seep wetlands; for these wetland types, water could be provided from the wastewater treatment facility.

Although the parcels targeted for acquisition have the space and landscape context to accommodate a variety of different wetland types, designing wetlands to incorporate natural hydrology will be problematic. As noted above, the separation from Malibu Lagoon precludes any effective tidal flushing. In addition, the parcels are too far from Malibu Creek to incorporate natural riverine hydrologic processes (such as seasonal flooding with scour and overbank flooding). Fortunately, there will be water available as needed for restoring high quality wetland habitats from both stormwater and the highly treated

wastewater. The City will integrate aspects of wetland ecology into final designs so that functioning wetland habitats can be maximized. A wetland ecologist, Dr. Richard Ambrose, is working with the City's engineering consultants to ensure that, consistent with the stormwater and wastewater treatment requirements, habitat values of the property are maximized by designing wetlands that are appropriate for the amount and timing of water available at a particular place. In addition, the availability of water from the wastewater treatment facility provides an opportunity for incorporating particular wetland types (perhaps slope or seep wetlands as well as palustrine habitats) that can take advantage of that water.

Ancillary Project Benefits: The acquisition of vacant land will reduce potential commercial development by up to 125,000 square feet allowing space for a passive park with walking trails. The retention basins and re-contouring and removal of imported soil will also significantly reduce potential flood impacts by increasing the water storage capacity in any storm event.

CEQA Compliance: A Notice of Categorical Exemption was filed on June 30, 2005.

Acquisition Project Consistency with Relevant Studies and Plans:

- *Improving Septic System Management In the Santa Monica Bay Watershed,* Santa Monica Bay Restoration Project Septic System Management Task Force, January 2001
- *Lower Malibu Creek and Lagoon Resource Enhancement and Management*, Drs. Richard Ambrose and Anthony Orme of UCLA, May 2000
- Santa Monica Bay Restoration Project's *Bay Restoration Plan – Malibu Creek Pilot Watershed Project, 1995* and *Making Progress: Restoration of Malibu Creek Watershed* Final Report, 2001
- Risk Assessment of Decentralized Wastewater Treatment Systems in High Priority Areas in the City of Malibu, Stone Environmental, August 2004

Tasks / Milestones:		**Budget:**	**Completion Date**
1	Fee Acquisition	$25,000,000	December 31, 2005
2	Closing costs, title, project transaction	$ 150,000	December 31, 2005
		$25,150,000	
Other Funding Sources			
1	Santa Monica College	$1,500,000	Secured
2	City of Malibu	$8,500,000	Secured
3	Santa Monica Bay Restoration Comm.	$2,500,000 –Proposition 50	Secured
4	State Coastal Conservancy	$2,000,000	Pending Board Action
5	Wildlife Conservation Board - SMMC	$2,000,000	Pending Board Action
6	Santa Monica Bay Restoration Comm.	$2,000,000 –Proposition 12	Pending Board Action
7	State Water Resources Control Board	$5,000,000-IRWMP	Requested
8	LA County, Civic Center Landowners, Local Funding	$5,000,000	Requested

Acquisition Projects: **APN(s):** 4458-020-016 and 4458-020-007

Acreage: 19.7

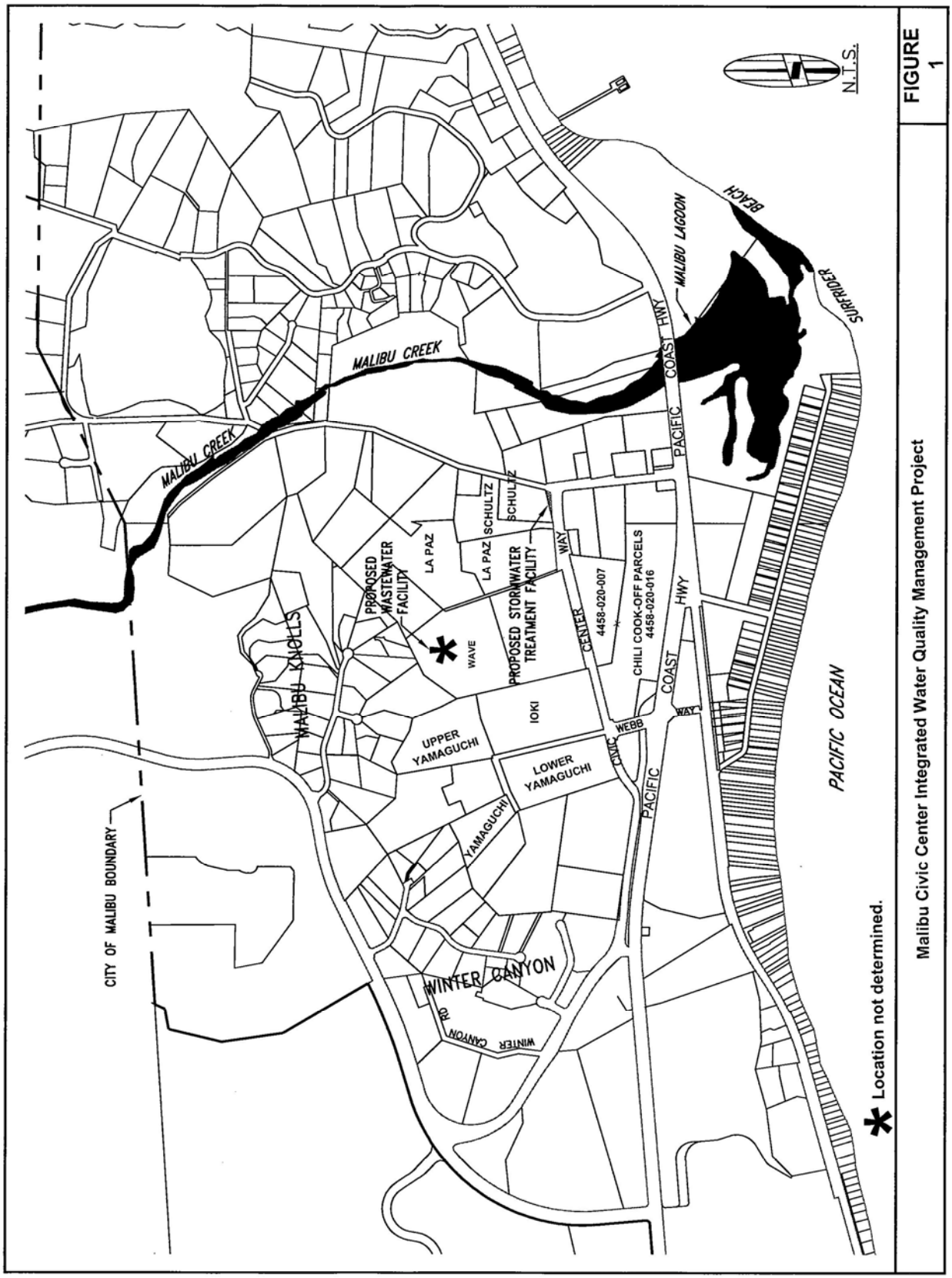
I certify that the information contained in this Grant Application form, including required attachments, is accurate.

Nelson Peterson — *Signature of Authorized Representative*

8/31/05 — *Date*

Form SMM-001

STATE OF CALIFORNIA ◆ THE RESOURCES AGENCY


N.T.S.
MALIBU CREEK
MALIBU CREEK
MALIBU LAGOON
BEACH
SURFRIDER
PACIFIC COAST HWY
SCHULTZ
SCHULTZ
LA PAZ
LA PAZ
PROPOSED WASTEWATER FACILITY
PROPOSED STORMWATER TREATMENT FACILITY
WAVE
CENTER WAY
4458-020-007
CHILI COOK-OFF PARCELS
4458-020-016
MALIBU KNOLLS
UPPER YAMAGUCHI
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LOWER YAMAGUCHI
YAMAGUCHI
CIVIC WAY
WEBB
PACIFIC COAST HWY
CITY OF MALIBU BOUNDARY
WINTER CANYON
WINTER CANYON RD
PACIFIC OCEAN
Location not determined.
Malibu Civic Center Integrated Water Quality Management Project
FIGURE 1